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**From:** Clauson, Karen L.  
**Sent:** Friday, August 15, 2003 4:22 PM  
**To:** 'Jodi.Smith@usdoj.gov'  
**Cc:** Oxley, J. Jeffery  
**Subject:** follow up/DS1 capable loop issue

In response to your request for details, Eschelon provides the following enclosures. The first enclosure is a summary of the Arizona service inquiry (held order/no build) orders. The next enclosure is the backup detail behind that summary. The third enclosure is a high level summary of examples of the many ways in which this has had a serious adverse impact on Eschelon's business and on end user customers.

Qwest held a conference call with CLECs today about its special construction ("CRUNEC") process. The fourth enclosure is a proposal that 12 CLECs in Qwest territory made with respect to the CRUNEC process before the call. Qwest made its own proposal, which involved "interim" suspension of some but not all of the CLEC-impacting changes that Qwest has made since June 16th. We won't know the extent or impact of the "suspension" until some time after Qwest implements it on August 20th. Also, the suspension is only "interim." While the suspension is pending, CLECs will not be able to document and track data and examples that would be evidence of the problem. As soon as Qwest receives 271 approval, however, Qwest could simply re-implement the same unilateral changes, and the numbers of service inquiry/no build held orders would jump again.

Qwest's violations of process, ICAs, SGAT terms, and commitments to the FCC and state commissions should not be ignored because Qwest temporarily suspends the changes (which it calls a mere "clarification") while 271 is pending. Qwest should be prevented from doing this again, because of the adverse impact on CLECs, end user customers, and competition.

I will be out next week. If you need additional information next week, please call Jeff Oxley at 612-436-6026. Otherwise, please call me if you need anything, after the 26th, when I will be back in the office. Thanks,



12-CLEC Proposal  
for today's c...

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## **DS1 Capable Loop and DS1 EEL Held Order Fact Sheet**

- Eschelon provides T-1 voice and data service over DS1 capable loops and DS1 EELs.
- From January 1<sup>st</sup> to June 15<sup>th</sup>, 3 DS1 circuits in Arizona were held for “Service Inquiry” or lack of qualified facilities.
- From June 15<sup>th</sup> to August 12<sup>th</sup>, 26 DS1 circuits in Arizona were held for Service Inquiry. The detail for these 26 circuits is contained in the attached spreadsheet.
- The table below demonstrates that Qwest is refusing to provision a significant percentage of Eschelon orders and that the problem is getting worse in August.<sup>1</sup>

State	July Percentage of Circuits Held for Service Inquiry/ Qwest No Build Policy	August Percentage of Circuits Held for Service Inquiry/Qwest No Build Policy
Arizona	56.67%	70.00%
Colorado	24.39%	57.14%
Minnesota	19.23%	7.14%
Oregon	23.08%	16.67%
Utah	12.90%	0%
Washington	19.23%	25%
Regional	26.35%	32.26%

- A single DS1 circuit can carry up to 24 access line equivalents (ALEs).
- A customer ordering a T-1 product from Eschelon may frequently orders additional analog lines that Qwest’s refusal to deliver DS1 circuits will impact.
- In the six states in the Qwest region that Eschelon operates in, over 1,500 ALEs have been impacted by Qwest’s refusal to deliver DS1 circuits.

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<sup>1</sup> Service Inquiry notifications are received several days after an order is submitted. It is likely that more Eschelon orders submitted in August will receive Service Inquiry jeopardies. Even though the percentage of circuits going held already demonstrates an increased percentage in August, this data, if anything, underestimates the magnitude of the problem.

Purchase Order Number	Local Service Request ID	Qwest Order #	Circuit ID	Order Submission date	Requested Due Date	Date Firm Commitment Received
AZ297179T1FAC	7178976	N21709334	19HCFU004435MS	06/16/03	06/23/03	
AZ298684T1FAC	7223873	N21495160	19HCFS004478MS	06/19/03	06/26/03	
AZ299110T1FAC	7243757	N22652126	19HCFU004492MS	06/23/03	06/30/03	
AZ299269T1FAC	7267315	N22596005	19HCFU004497MS	06/24/03	07/01/03	
AZ299791T1FAC	7277391	N22659689	19HCFU004503MS	06/25/03	07/02/03	
AZ301239T1FAC	7338847	N23454357	19HCFU004552MS	07/01/03	07/08/03	
AZ300795T1FAC	7348978	N/A	19HCFS004564MS	07/02/03	07/11/03	
AZ302537T1FAC	7373867	N24596715	19HCFS004584MS	07/07/03	07/14/03	
AZ302226T1FAC	7374082	N23713233	19HCFU004569MS	07/07/03	07/14/03	
AZ303112T1FAC	7404014	N24320502	19HCFS004611MS	07/08/03	07/15/03	
AZ302892T1FAC	7388843	N23716094	19HCFU004596MS	07/08/03	07/16/03	
AZ303315T1FAC	7392632	N23780589	19HCFU004603MS	07/08/03	07/16/03	
AZ300515T1FAC	7426792	N24765684	19HCFS004624MS	07/10/03	07/17/03	
AZ304534T1FAC	7481046	N24161676	19HCFU00465MS	07/16/03	07/23/03	
AZ305365T1FAC	7480109	N24423872	19HCFU004654MS	07/16/03	07/23/03	
AZ304755T1FAC	7494012	N24426711	NONE PROVIDED	07/17/03	07/24/03	
AZ309407T1FAC	7513084	N24537010	19HCFU004683MS	07/18/03	07/25/03	
AZ309194T1FAC	7506514	N24287659	19HCFS004703MS	07/18/03	07/25/03	
AZ308439T1FAC	7513301	N20874566	19HCFS004727MS	07/18/03	07/25/03	
AZ315262T1FAC	7629669	N25587168	19HCFU004824MS	07/30/03	08/11/03	
AZ318756T1FAC	7699235	N26992882	19HCFU004873MS	08/06/03	08/14/03	
AZ319960T1FAC	7708131	N25990650	19HCFU004881MS	08/07/03	08/14/03	
AZ308367T1FAC	7699410	N27010760	19HCFU000150MS	07/16/03	08/06/03	
AZ320431T1FAC	7737726	N26408547	NONE PROVIDED	08/11/03	08/18/03	
AZ319578T1FAC	7701298	N25929543	19HCFU004878MS	08/06/03	08/22/03	
AZ320614T1FAC	7737572	N26408512	NONE PROVIDED	08/11/03	08/21/03	



**Qwest DS1 Held Orders  
Examples of Impact on Eschelon Telecom  
August 15, 2003**

- ◆ **Eschelon Order Process:** Since Qwest changed its DS1 ordering process, Eschelon is forced to place two orders with Qwest. Eschelon places an initial order for the DS1. When Qwest places the loop in service inquiry status (i.e., hold for no build), Eschelon provisioners must place another order via private line/special access. The result is double work by Eschelon provisioners and additional work by Eschelon's engineers, translators and customer service personnel. In addition, Eschelon must expend resources to document and track Qwest order activity for two orders, re-engineer the customer circuit, and reschedule the installation timeframes with the customer. This has a negative impact on resources and overall order throughput.
- ◆ **Customer Impacting:** The dual orders required by Qwest has negatively impacted the Eschelon customer experience. Customer installation timeframes have been extended by a minimum of two weeks. We have had several instances in which customers were physically moving their business and were without phone service because the DS1 order was held. Eschelon installed temporary private lines. Eschelon's credibility with the customer is tarnished from the onset because Qwest prevents Eschelon from delivering what was originally proposed.
- ◆ **Impact on Cash:** Eschelon is incurring additional expense because Qwest's policy change forces Eschelon to order private lines, which carry higher monthly and non-recurring charges. In addition, Qwest has said that it plans to charge a quote preparation fee, which can range from \$600-\$1600 per circuit, plus construction charges which have yet to be determined. These inflated rates make it virtually impossible for Eschelon and other CLECs to compete in the DS1 arena. The delay in installation is also lost revenue.
- ◆ **Marketing Strategy Change:** The Qwest held order process has forced Eschelon to temporarily shift its acquisition strategy from T-1 to analog sales. As a result, Qwest has forced Eschelon to modify its compensation plan to discourage T-1 sales. Eschelon loses customers that desire T-1 service, and those customers lose the ability to have their carrier of choice.
- ◆ **Increased Cancel Orders:** Eschelon has experienced a significant increase in customer initiated cancelled orders as a result of the held orders.
- ◆ **Engineering Expense & Resources:** Because an additional private line is being ordered, two access points of termination ("APOTs") are tied up, when parallel orders

are placed: one for the original DS1 order and one for the private line order. This takes up an additional Line Equipment Number (“LENs”) on a switch, and there are only so many LENs per switch. This consumes a needed resource (so parallel orders are not always possible). In addition, Qwest’s policy change has increased Eschelon’s Network Operations group’s workload. Engineering is required to connect to an additional APOT for the private line and then disconnect the original order. This is in addition to the double work done for provisioning.

